

~~SECRET~~ 19

INTERNATIONAL ORGANIZATIONS GROUP
OFFICE OF REPORTS AND ESTIMATES
CENTRAL INTELLIGENCE AGENCY

WORKING PAPER

11 MAY 1949

NOTICE: This document is a working paper, NOT an official CIA issuance, and has not necessarily been coordinated with other ORE producing components. It represents current thinking by one group of specialists in CIA, and is designed for use by others engaged in similar or overlapping studies. The opinions expressed herein may be revised before final and official publication. It is intended solely for the information of the addressee and not for further dissemination.

Copy for:

*Mc Mahan*Document No. 036NO CHANGE in Class. ☐☒ DECLASSIFIED

Class. CHANGED TO: TS S C

DDA Memo, 4 Apr 77

Auth: DDA WTB. 77/1783

Date: 27 FEB 1978 By: 024~~SECRET~~

~~SECRET~~

INTERNATIONAL ORGANIZATIONS GROUP

WEEKLY SUMMARY NO. 19

For week ending 10 May 1949

Volume II

The International Week

The raising of the Berlin blockade and the calling of a Council of Foreign Ministers meeting on the German question continued to dominate the international scene. Western European agreement to establish a Council of Europe was a step of major significance toward the future unification of Western Europe. In the UN, the Political Committees recommended admission of Israel (33-11-13) and lifting the ban on diplomatic missions in Spain (25-16-16) but the latter will have difficulty in securing plenary approval. Successful conclusion of the preliminary Dutch-Indonesian conference in Batavia augurs well for eventual solution of the Indonesian problem at the forthcoming Hague conference.

GA DEVELOPMENTS

Bevin-Sforza plan or postponement only likely colonies alternatives. The Bevin-Sforza plan for the former Italian colonies may just barely secure General Assembly approval this session, but only if it obtains the support of the entire Latin American bloc and at least a few Asiatic states. If this support fails to materialize, no other solution except postponement stands any chance of GA approval.

The Bevin-Sforza agreement stems from British recognition that UK trusteeship over Cyrenaica could not prevail without some conciliatory gesture toward the pro-Italian bloc and corresponding Italian appreciation that the alternatives to the UK proposal might be even less favorable to Italy. The resulting "deal" provides for Italian trusteeship over Somaliland, partition of Eritrea between Ethiopia and the Sudan (with special status for Asmara and Massawa) and British trusteeship over Cyrenaica. Tripolitania would be placed under Italian trusteeship after 1951; meanwhile the UK, assisted by an advisory council, would remain in interim control. Although initial Latin American reaction was cautious, the pro-Italian LA delegates will probably support the proposal. If, however, their alignment is not solid, and if a few additional

~~SECRET~~

~~SECRET~~

Asiatic votes cannot also be secured, the proposal could not pass over the combined opposition of the Soviet and Asiatic blocs.

Of the resolutions now before the GA, independence has the support of the Arab states and other former dependent areas, but it is unlikely that even the twenty votes claimed for it actually exist. The UK had already given up hope for approval of its original resolution, while direct UN trusteeship -- proposed by India and more or less in line with the Soviet suggestion -- also has few adherents. Consequently postponement is likely, should the Bevin-Sforza proposals fail to win GA approval.

- o -

Israeli UN membership assured. The GA Ad Hoc Political Committee's overwhelming 33-11 vote recommending Israeli admission to the UN clearly forecasts favorable action in the plenary. Israel's opponents had attempted to embarrass Tel Aviv by forcing definite commitments on the emotional issues of internationalizing Jerusalem and repatriating refugees. Apparently the adroit handling of the debate by Israel's UN representative plus the lobbying of GA President Evatt convinced the majority that it was improper to thrash out these issues of the peace settlement in connection with a membership application. Such doubts as were recently engendered as to Israel's worthiness of UN membership apparently expressed themselves largely in the form of abstentions. These proved insufficient to defeat the resolution, blessed as it was with the affirmative votes of both the US and USSR.

Effect on peace negotiations. In the long run the effect of Israel's successful fight for admission to the UN should increase the pressures making for ultimate settlement of remaining disputed issues between Israel and the Arabs. Neither the refugee issue nor the internationalization of Jerusalem is in fact fundamental. No one seriously supposes that the Israelis will ever accept more than a handful of Arab refugees. Furthermore, Jordan has been quite ready to agree to splitting Jerusalem and the Palestine Conciliation Commission secretariat has already worked out a plan whereby the practical application of internationalization will be restricted to the holy sites themselves. The most important remaining problem is that of frontier delimitation, but sight is often lost of the small land area involved in this squabble. In time these issues will be settled and, if matters continue as in the past, largely on Israel's terms.

- o -

Indonesian debate now unlikely. The favorable outcome of the Batavia talks will probably preclude discussion of the

- 2 -

~~SECRET~~

~~SECRET~~

Indonesian question by the present General Assembly. Australia and India, sponsors of the Indonesian item, have proposed that discussion thereof be postponed until the fall session. Unless the Soviet bloc has determined to exploit the propaganda opportunities of the subject, the Australian-Indian proposal will doubtless meet with little opposition.

- o -

US retrieves position on FOI Convention. After it became clear that the US and UK would refuse to adhere to the News Gathering Convention in its amended form, the GA Social Committee voted to reconsider those articles which sought to impose on correspondents and news agencies the legal duty accurately to report facts. Adopting a six-power compromise amendment, the Committee transferred the substance of the objectionable portions to the preamble where they will serve as a mere recital of moral responsibility rather than an imposition of obligations. The Social Committee decided to complete the News Gathering Convention and transmit it to the GA with the proviso that it shall not be submitted to member states for their adhesion until the completion of the companion Freedom of Information Convention sponsored by the UK. The latter convention is universal in its application while the News Gathering Convention is restricted to correspondents and news agencies. Attempts have also been made to amend the FOI Convention to permit governments to suppress the diffusion of false or distorted reports which undermine friendly relations between nations. Yielding to vigorous US-UK objections, however, the Committee finally voted to defer further action on FOI until the next GA session.

- o -

GA likely to reject Committee recommendation on Spain. It is still doubtful whether the GA will approve the Political Committee's resolution giving UN members freedom of action on diplomatic relations with Spain. In a debate characterized by violent Soviet bloc attacks on the Western Powers, the Committee quickly rejected the anti-Western, anti-Franco Polish proposal and approved the four-power Latin American plan favoring the return of chiefs of missions to Madrid. If, however, the Committee voting line-up (25-16 with sixteen abstentions) is maintained in the plenary, as is likely, the resolution will not secure the required two-thirds majority.

- o - o - o -

- 3 -

~~SECRET~~

~~SECRET~~

New Asian labor federation will check Communist organizing drive in Asia. Substantial progress towards the formation of an anti-Communist Asian labor federation is likely as a result of the Indore Labor Conference currently meeting under the sponsorship of the India National Trade Union Congress and a 7-nation preparatory committee. Plans to organize this federation and to strengthen the non-Communist working class movement in Asia are under consideration by labor representatives from India, China, Ceylon, the Philippines, Indonesia, Siam, Burma, Pakistan, Afghanistan, Iran, Turkey and Syria. Aided by an AFL representative, they are also considering steps to bring the regional Asian federation into the new world labor organization projected by the Western labor groups. Prompt action by the Asian labor forces to establish a powerful regional labor organization will constitute an effective brake on the renewed efforts of the World Federation of Trade Unions and the World Federation of Democratic Youth to expand Communist control over Asian manpower.

- O -

ECE to seek place in Point Four. The forthcoming report of the secretariat of the Economic Commission for Europe to the UN reflects two trends in relation to the Point Four Program: the strong desire of subsidiary UN bodies to play an important role in the program and the problems which will arise in connection with Satellite participation. The report's proposals for setting up fellowships, consultants, pilot demonstration projects, technical services and a "know-how" bureau foreshadow demands for a large degree of regional responsibility which may be imitated by other UN regional economic commissions. In the light of US intentions sharply to limit Satellite participation in Point Four, it is significant that the Eastern European countries, which would receive the majority of these services, would be the chief beneficiaries of the ECE proposals.

- O -

Revision of Intra-European trade agreement in offing. One of the most significant problems in the establishment of the OEEC program for 1949-50 is the scheduled revision of the October 1948 Intra-European Payments and Compensation Agreement in order to stimulate further multilateralization of European trade. The existing Agreement has been of only limited usefulness because of the rigid bilateralization of ERP "conditional" aid and drawing rights which has kept intra-European trade within artificial channels. Moreover, the total compensations in the first four months were only some 63 million dollars. While the 1948 Agreement has somewhat alleviated the problem of intra-European payments, it has not made the most effective use either of the resources provided in the system or the cooperative possibilities envisaged under the OEEC.

- 4 -
~~SECRET~~

~~SECRET~~

Consequently, several proposals have been made to broaden the 1948 Agreement in order to facilitate the restoration of a sound multilateral European trade structure. All of these proposals favor allowing some transferability of drawing rights between the participating countries. While most OEEC members recognize the desirability of revising the Agreement, and all favor ultimate multilateral trade, many of them, particularly the creditor nations, have strong present objections to such plans. The UK is the chief opponent on the grounds that it must protect its conditional aid dollar allocations which would be threatened should debtor countries transfer their drawing rights. Such debtor states as France fear in turn that such a plan would lead the creditor countries to reduce their non-essential imports from countries like France in order to protect their dollar allocations. Although the problem is still in the discussion stage, it appears likely that the OEEC will agree at least to some degree of transferability, perhaps 25-30% of the total drawing rights.

- o -

- 5 -

~~SECRET~~